

Less for the Executive, More for the Entry-Level: Critical Safety-Net Hospital Bets Big on Pay Shift

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A Dallas, TX safety-net hospital made itself part of the national debate on minimum wage and executive pay recently when its board voted to increase the wages of entry-level workers from a minimum of \$8.78 per hour to \$10.25 per hour.

Board members of Parkland Health and Hospital System—which has seen its share of financial woes in recent years—also agreed to pay for the increase that impacted 230 of its workers by taking the money out of executive compensation packages, the *Dallas Morning News* reported. The increase, which at press time was expected to go into effect July 1, is expected to cost about \$350,000 for the first year and will impact employees working in dietary, linens, and environmental services. The pay hike is also potentially good news for those health information management (HIM) professionals working in entry-level positions, such as intake, registration, and clerical positions.

Hospital officials cited hopes that the pay increase would boost employee retention and improve job satisfaction. The change was also a recognition that entry-level healthcare workers do impact the quality of care patients receive, and should be trained, retained, and motivated to excel in their positions.

Experts on executive pay in healthcare told *Modern Healthcare* that Parkland's decision is without precedent in the industry. Jim Otto, a senior principal at salary consultant organization Hay Group, told the magazine that "I would be surprised if it becomes some kind of large movement, but I would not be surprised if individual systems take a look at this and think seriously about doing something similar. Just given how wages have stagnated for a good chunk of our employed population in the US, this may be the kind of innovative approach that boards and senior management would be interested in at least talking through."

While the debate around raising the national minimum wage rages on—and is poised to be an election year issue—companies such as Costco, Gap, and In-N-Out Burger have increased entry-level wages without waiting for a requirement from state and federal governments.

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